

MINUTES OF SPECIAL WORKSHOP MEETING OF KISSIMMEE UTILITY AUTHORITY HELD
WEDNESDAY, NOVEMBER 23, 1988, AT 5:30 PM, BOARD ROOM, ADMINISTRATION
BUILDING, KISSIMMEE, FLORIDA

Present at the meeting were Chairman Hord, Secretary Bobroff, Assistant Secretary Lowenstein, Director Jones, Director Van Meter, General Manager Welsh, and Recording Secretary Rundio. Director Gant and Attorney Brinson were absent. (Staff had inadvertently neglected to inform Attorney Brinson of the meeting.)

A. MEETING CALLED TO ORDER at 5:47 P.M. by Chairman Hord. He said Director Gant and Attorney Brinson are not present.

Mr. Welsh gave a brief introduction regarding the purpose of this Special Workshop Meeting, which is to review the plans for the proposed Distribution Complex at N. Bermuda Avenue. This meeting is subsequent to the Monday, November 21st, meeting with additional information and new changes for the warehouse and cut-down of space with the elimination of various items. He said big savings came from changing garage and pavement areas. Chairman Hord updated Director Van Meter on events, since he missed the last meeting. Mr. Welsh said we can live without the second floor, but would like direction that staff should take on major decisions such as size of building, budget for the size of the building, use of the second floor, and concurrence on the site development plan itself. Then staff can redesign the project, put it out for bid and bring the evaluated bids back to the Board.

Discussion involved the possible reduction of paving and in turn reducing the retaining pond, leveling the area, parking, drainage difficulties, possibility of acquiring additional adjacent land, etc.

Mr. Welsh said he had contacted Gary Lee, Manager of Southport Ranch, about the likelihood of purchasing 10-20 acres sometime in the near future. He said Mr. Lee indicated he would not make any commitments. This option is not definite or clear.

The borrow pit was discussed at length; again, nothing definite.

James C. Schuster, Manager, Finance & Administration, gave an overview and discussed the growth rate of Power Supply Study for Customer Service: service established for new customers each year, projected at about 25,000 for 1988.

Ken Lackey, Manager, Distribution Operations, highlighted Proposals A & B and showed transparencies on the warehouse facilities. Architect Chuck Parsons detailed Proposal A; some items remained the same, others increased. Mr. Parsons was recommending a new budget figure of \$1,785,140. Chairman Hord asked that guidelines be met to include a 10% contingency; and that any overruns, within reason, would have to be approved before they could be done. He asked that if K & R (contractors) negotiate a contract with the proposed bidders that we be assured it will be cost-effective. Mr. Parsons replied that everyone will have a complete set of drawings and everyone will be bidding on the exact same thing. He said without prior approval there will be no substitutions on materials, etc.

Lengthy discussion took place on cost savings by eliminating the second floor. Mr. Parsons said the figures included the second floor for future office space at \$1,785,140. The building would have a block wall half way up and be open to the second floor until that second floor was ready for expansion. It was suggested by Chairman Hord that insulation be put in the walls as well as the ceiling due to summer heat. Architectural fees were discussed on drawings already completed and further redesigns due to changing the size and shape of the building, including transformer pads and septic tank, all of which must be in the contract document. He said a lot of

computations done by Hanson & Walter can be reused, cutting down costs slightly.

Possible benefits of annexing to the City of Kissimmee was discussed and Chairman Hord stated the civil engineers said it would be more beneficial to permit and build in the County and annex at a later time. Mr. Parsons added, for purposes of the water management permit. Mr. Parsons said we are changing the site development plan (with retention pond in back); now its being changed again due to a change in the building. Mr. Parsons confirmed that the \$15,000, if we don't permit by February 28, 1989, will double to \$30,000.

The Board members all agreed in favor of Proposal A. (Director Gant was absent).

Mr. Welsh reminded the Board members that during discussions at the previous meeting Monday, November 21st, we had a second floor; today we do not due to elimination of the Board Room and Executive Offices from the Bermuda Complex. This would have freed up space in this downtown Administrative building for other departments.

Mr. Welsh indicated that operationally the most effective way of freeing up space in the downtown Administrative facilities would be to move the Executive (General Manager's) offices and the Board Room to the second floor of the Bermuda Avenue facility. An alternative that staff could make work (but which wouldn't be as effective operationally) would be to move the Planning & Engineering personnel.

Discussion continued on options of leasing storefront on a temporary basis - or perhaps moving Planning & Engineering to the Bermuda Complex.

Chairman Hord asked for clarification as to whether moving Planning & Engineering would function. Mr. Welsh indicated it would. Mr. Schuster indicated that it would not. Chairman Hord stated that there's a great philosophy difference there. If it would work then he's promoting it; if it would not work then he's not promoting it, and he didn't know "which way to jump".

Jim Schuster gave a brief verbal presentation explaining the daily interaction between Planning & Engineering and his Department. He also indicated that customer contact with Planning & Engineering at the downtown location was key to having "one stop shopping". Discussion continued about footage and rental costs in the downtown area. Mr. Schuster's opinion was that it would not be beneficial for Planning & Engineering to move to Bermuda Avenue because of its interrelation with Finance & Administration and Customer Service and also the inconvenience and cost of moving P & E.

Chairman Hord was against building elaborate facilities on a permanent basis until some overall game plan is established. He suggested not turning the second floor into offices at Bermuda. Chuck Parsons said redesigning of the plans has stopped until a decision has been made about the second floor. Chuck said the Electrical Engineer requires this data in the bid documents. Mr. Welsh said we needed some kind of direction from the Board as to whether or not these offices move to Bermuda.

Director Bobroff suggested that only those departments closely related to the warehouse should be located on Bermuda: Purchasing, Warehouse and Distribution. Chairman Hord said staff should take a couple more days through the Administrative building to measure out how much square footage could be freed up here.

The idea of perhaps leasing or purchasing a 6,000 sq.ft. building in Waterfront Square arose as an alternative--the price (considered exorbitant), who should use it, and whether it is operationally sound were discussed.

Mr. Welsh stated we are looking for direction whether we should lease space on a workable basis and report back to the Board. Or, secondly, are we going to finish off the second floor and move the Board Room and Executive Offices there. On the lease option scenario, no direction is needed, he said.

Chairman Hord took a straw vote from the members on our completing the Bermuda Avenue second floor for a Board Room, meeting room, and Executive Offices. They voted "No", that these offices should remain where they are. **The Board gave direction to staff, via a straw vote, to create a lease or modular building, or whatever, and leave the second level of the downtown building as it exists and functioning with what exists and that we do not finish off the second level of that (Bermuda Avenue) building.**

Mr. Welsh desired to have a motion from the Board to formalize what has been decided in terms of Proposal A. Also, a motion to move the added funds of \$619,640 needed for Proposal A, from the Reserve for Future Capital Outlay to this project budget, increasing the project budget from its current level of \$1,165,500 to \$1,785,140.

It was agreed this was a Special Workshop Meeting of our meetings are full meetings) and a motion could be made.

Moved by Director Bobroff, seconded by Director Lowenstein, that we transfer the added funds (\$619,640) needed for Proposal A, from the Reserve for Future Capital Outlay to this project budget, increasing the project budget form its current level of \$1,165,500 to \$1,785,140.

**Motion Carried 4 - 0
Director Gant was absent**

Mr. Welsh requested one other motion: to approve the architectural fees allowing the contract to expand by the following amounts, which will be maximum not-to-exceed figures:

Project Management Fee at 1½%	\$ 22,740
Architectural (5%) & Engineering Fees	64,300
Architectural & Engineering Redesign Fees	30,500
	<u>\$117,540</u>

Staff will come back to the Board for the authority to execute the contract for constructing the building at a later date.

Moved by Director Bobroff, seconded by Director Lowenstein, to approve the architectural fees allowing the contract to expand by the above amounts.

**Motion Carried 4 - 0
Director Gant was absent**

Mr. Welsh said we would get back to the Board with an evaluated bid for the project.

Mr. Welsh wished all a Happy Thanksgiving!

B. ADJOURNMENT: Meeting adjourned at 8:40 P.M.



CHAIRMAN

ATTEST:



SECRETARY